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**Ms. Jessica Priest
Victoria Advocate
311 East Constitution
Victoria, TX 77901**

Via E-mail: jpriest@vicad.com

Re: Texas Public Information Act Request of Feb 18, 2019 ("Request")

Dear Ms. Priest:

On behalf of the Port O'Connor Improvement District, please let this letter respond to the Request, received via electronic mail to the District on February 18, 2019.

As you requested, we are transmitting copies to you electronically. Attached is a copy of the Settlement Agreement between U. S. Water Services Corporation DBA USW Utility Group and Port O'Connor Improvement District in Cause No. 2018-CV-3268-DC.

Sincerely,

WALKER KEELING LLP


Donna Grafe-Tucker

**cc: Erny McDonough, President
Evangelina Trevino, Office Manager
Port O'Connor Improvement District
P.O. Box 375
Port O'Connor TX 77982**

CAUSE NO. 2018-CV-3268-DC

U.S. WATER SERVICES CORPORATION	§	
d/b/a USW UTILITY GROUP	§	IN THE DISTRICT COURT OF
Plaintiff,	§	
	§	
v.	§	
	§	CALHOUN COUNTY, TEXAS
PORT O'CONNOR IMPROVEMENT	§	
DISTRICT	§	
	§	
Defendant.	§	24 TH JUDICIAL DISTRICT

Settlement Agreement

Introduction

The undersigned parties have negotiated a settlement to the above case (the "Lawsuit"). There is considerable disagreement between the parties regarding their claims and defenses, and neither Party admits or acknowledges any fault or liability to the other Party. Both Parties desire to resolve the Lawsuit in order to avoid the time, expense and uncertainty of litigation. The parties therefore agree to settle all of the issues in dispute between them.

After consulting with their attorneys, who were involved in settlement negotiations, the parties now sign this document (the "Agreement") to memorialize the terms of their settlement under section 154.071 of the Texas Civil Practice & Remedies Code. The parties and their attorneys thoroughly reviewed the document and made or had the opportunity to make any changes to it that the parties desired. The parties sign this agreement of their own free will and without duress, relying exclusively on their own understanding of the agreement and the advice of their

respective attorneys.

The settlement terms are:

Payment

1. Defendant will pay \$128,275.92 to Plaintiff by a check payable to the order of Plaintiff and delivered to Plaintiff's attorney within twenty (20) days from the effective date of this Settlement Agreement.

Terminating the Lawsuit

2. Within twenty (20) days after the above payment, the parties will file in the Lawsuit a motion for dismissal with prejudice and an agreed order granting same. Each party will bear its own court costs and attorneys' fees in the Lawsuit.

Default

3. If the above payment is not received on its due date, Defendant will be in default without further notice of any kind.

Mutual Release of Claims

4. Effective upon the entry of the agreed order of dismissal provided for above, Plaintiff, for itself and on behalf of its officers, directors, shareholders, representatives, agents, employees, parent companies, subsidiaries, related companies, affiliates, consultants, and attorneys, completely RELEASES, DISCHARGES, and RELINQUISHES Defendant and Defendant's Board members, officers, representatives, agents, employees, insurers, consultants, attorneys, and anyone else acting for Defendant from any and all past, present or future claims, whether known or unknown, and whether based on a tort, contract, or other theory of recovery, that have accrued or that may accrue later or otherwise be acquired on account of or in any way growing out

of or that are the subject of the Lawsuit. This release includes, but is not limited to, claims asserted by Kim Stafford in the Charge of Discrimination filed December 12, 2017 but does not include claims arising from other alleged activities that have been reported to the Texas Workforce Commission from employees of either Defendant or Plaintiff while Plaintiff provided services to Defendant between April 2016 and January 2018.

5. Effective upon the entry of the agreed order of dismissal provided for above, Defendant, for itself and on behalf of its Board members, officers, representatives, agents, employees, insurers, consultants, attorneys, and anyone else claiming by, through or under Defendant completely RELEASES, DISCHARGES, and RELINQUISHES Plaintiff and Plaintiff's officers, directors, shareholders, representatives, agents, employees, parent companies, subsidiaries, related companies, affiliates, consultants, attorneys, and anyone else acting for Plaintiff from any and all past, present or future claims, whether known or unknown, and whether based on a tort, contract, or other theory of recovery, that have accrued or that may accrue later or otherwise be acquired on account of or in any way growing out of or that are the subject of the Lawsuit. This release includes, but is not limited to, claims asserted by Kim Stafford in the Charge of Discrimination filed December 12, 2017 but does not include claims arising from other alleged activities that have been reported to the Texas Workforce Commission from employees of either Defendant or Plaintiff while Plaintiff provided services to Defendant between April 2016 and January 2018.

6. The above releases do *not* include any claim that either party may have in the future against the other party on account of a party's failure to perform its obligations under this Agreement.

7. The above releases *do* include release of any claim that either party was fraudulently induced into making this Agreement.

No Disparagement

8. Each party agrees not to disparage the other. If asked about the Lawsuit, this Agreement, or the other party, each party shall say only this: "The dispute was resolved to the parties' mutual satisfaction. I am not permitted to comment further." In making this Agreement, the parties acknowledge that they are voluntarily waiving their free-speech rights under the United States and Texas Constitutions but are doing so only after careful consideration, without any duress, coercion, or undue influence, and in consultation with their attorneys.

Cooperation

9. The parties agree to cooperate in good faith to take all additional actions that may be reasonably necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

10. Failure to take all of any part of such actions will not affect the finality or enforceability of this Agreement.

Return of Information

11. Within five (5) days after request made at any time after entry of the order of dismissal provided for above, either Party is entitled receive from the other Party all discovery and other material (in all forms and formats), including all copies thereof,

furnished by or concerning the requesting Party in connection with the Lawsuit. Any such request will identify the materials to be returned by bates number or other appropriate description.

Choice of Law

12. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, notwithstanding the principles of conflicts of law.

Full Agreement

13. This Agreement is the full agreement between the parties concerning the settlement of the Lawsuit and supersedes any previous agreements or understandings. Each party expressly warrants and represents that no promise or agreement that is not expressed in this Agreement has been made to that party and that no party is relying upon any statement or representation of any of the parties being released by this Agreement or by anyone acting for them. Instead, each party is relying on that party's own judgment and each has been represented by the party's own attorney. The parties and their attorneys prepared this Agreement jointly.

Authority & Counterparts

14. Each signatory hereto warrants and represents that he has full authority to enter into this Agreement on behalf of the Party for whom he signs and that he is duly and properly authorized to execute this Agreement in the capacity stated herein.

15. This Agreement may be executed in counterparts and delivered by electronic means.

SIGNED to be effective on February 12, 2019 ("Effective Date").

[SIGNATURES FOLLOW]

Plaintiff:

U.S. WATER SERVICES CORPORATION d/b/a USW UTILITY GROUP

By:
Title:

Defendant:

PORT O'CONNOR IMPROVEMENT DISTRICT



By:
Title: *President*